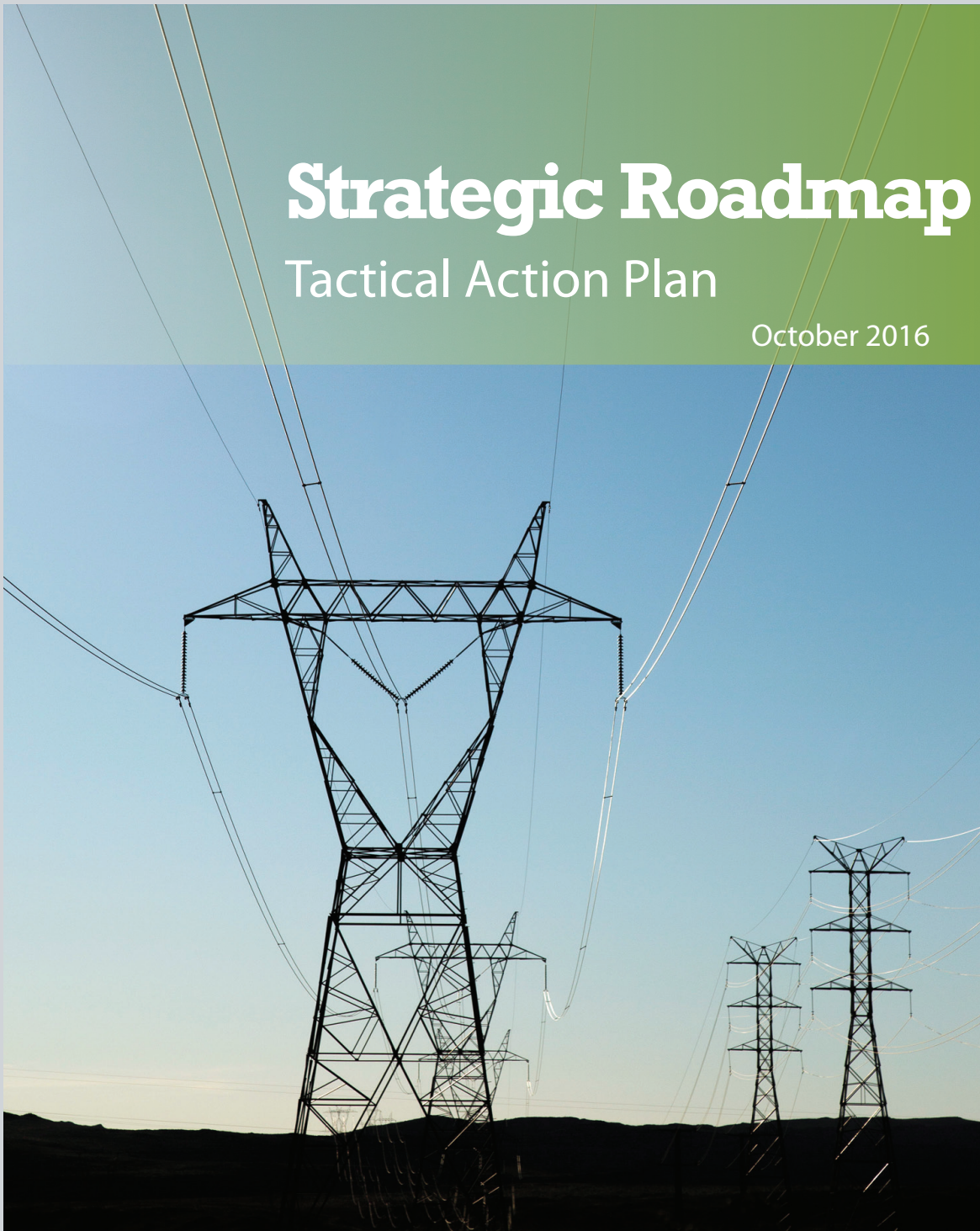


# Strategic Roadmap 2024

## Tactical Action Plan

October 2016



**Western Area  
Power Administration**



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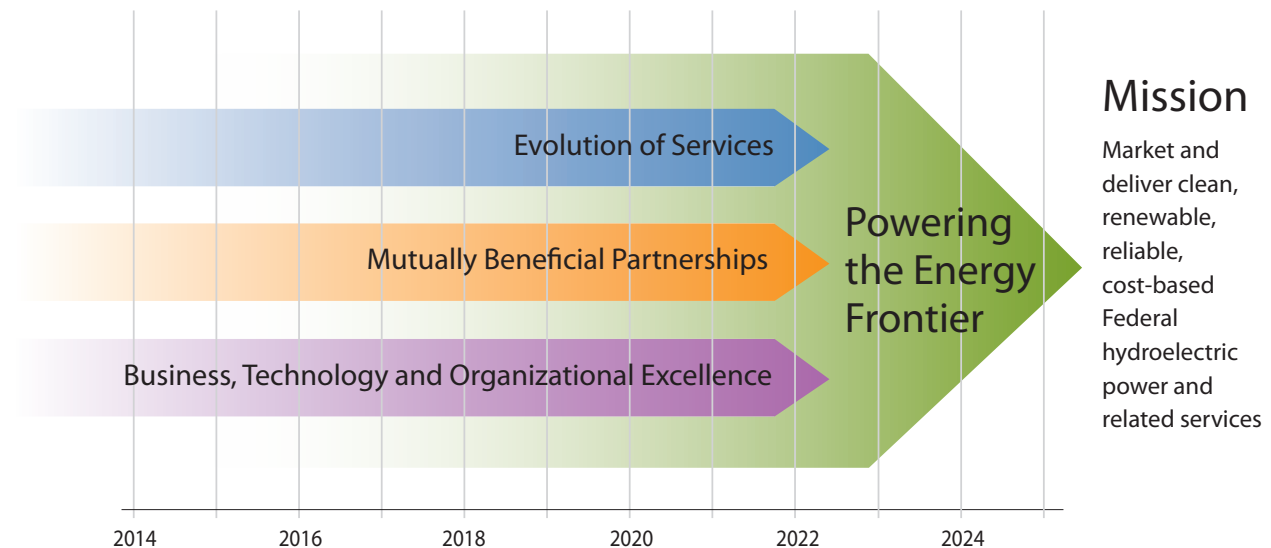
# Introduction

Western Area Power Administration, a power marketing administration within the Department of Energy, markets and transmits more than 30 billion kilowatt-hours of wholesale federal hydroelectric power through an integrated 17,000-plus circuit mile transmission system across 15 central and western states.

We sell this power to more than 680 preference power customers including cooperatives, federal and state agencies, municipalities, Native American tribes, public utility and irrigation districts and other energy service providers. In addition, WAPA provides for the purchase and exchange of electric resources, operations and maintenance services, transmission system interconnections, shared capacity and use of transmission facilities, and joint construction opportunities.

WAPA refreshed its strategic plan in October 2016. The plan consists of the Strategic Roadmap 2024 and this appendix. The previous version of the plan was published in May 2014. The Strategic Roadmap outlines four foundational Critical Pathways for the next 10 years. WAPA will review and refresh the Strategic Roadmap every other year to ensure we remain focused on meeting our customers' needs, aligned with DOE goals and responsive to industry change.

Figure 1: Strategic Roadmap 2024



# Tactical Action Plan

The Tactical Action Plan identifies and describes the WAPA-wide tasks and activities, existing and new, needed to fully achieve the goals in Strategic Roadmap 2024. Each activity in the TAP chart is briefly described in this document and also linked to the Critical Pathway it supports. As the TAP is a list of specific strategies and actions susceptible to changing environments and needs, the TAP will be updated more frequently as WAPA progresses towards its goals.

The TAP is organized into five Strategic Target Areas that serve as WAPA's priorities and areas of focus for the next three years. Target Areas are also used to create the agency's annual performance targets, which measure progress and implementation of the TAP. The status of our progress will be reported regularly.

## Implementation and Engagement

The publication of this TAP is part of an ongoing conversation with customers and employees about the tasks and activities WAPA will undertake to achieve Strategic Roadmap 2024. We are committed to transparent implementation and regular discussion of the TAP with customers. WAPA's senior executive team is responsible for ensuring transparent implementation with the Chief Strategy Officer responsible for establishing, facilitating and implementing processes to ensure TAP activities advance WAPA's mission.

Where possible and applicable, TAP actions will be distilled to the Regional level so that customers can provide specific feedback. At a high level, responsible WAPA offices will be identified to facilitate work plan reviews and create linkages between TAP activities and work plans. As the TAP is adjusted and refined, new versions will be published and posted on WAPA's website.

## Critical Pathways

## Strategic Results

### Business, Technology and Organizational Excellence

Expanding on organizational excellence by applying knowledge, technology, and innovation and engaging internal and external partners to optimize operational effectiveness.

### Mutually Beneficial Partnerships

Building and sustaining productive relationships that enhance trust, operational effectiveness, and business opportunities for all parties.

### Evolution of Services

Evolving Western's power and transmission services in response to the needs of a diverse customer base and the demands of a changing industry and technology environment through operational excellence and the application of cost containment and proper cost allocation principles.

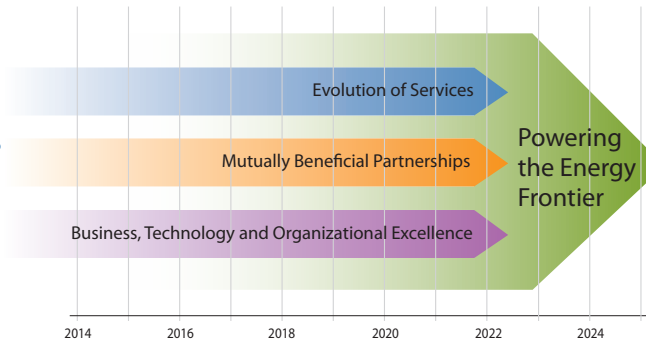
### Powering the Energy Frontier

Provide premier power and transmission services to our customers by applying business, technology and organizational excellence; building mutually beneficial partnerships; and enhancing the nation's economic security and stability.

# Strategic Roadmap and Tactical Action Plan

## Critical Pathways

- POWERING THE ENERGY FRONTIER:** Provide premier power and transmission services to our customers by applying business, technology and organizational excellence; building mutually beneficial partnerships; and enhancing the nation's economic security and stability.
- EVOLUTION OF SERVICES:** Evolving Western's power and transmission services in response to the needs of a diverse customer base and the demands of a changing industry and technology environment through operational excellence and the application of cost containment and proper cost allocation principles.
- MUTUALLY BENEFICIAL PARTNERSHIPS:** Building and sustaining productive relationships that enhance trust, operational effectiveness and business opportunities for all parties.
- BUSINESS, TECHNOLOGY AND ORGANIZATIONAL EXCELLENCE:** Expanding on organizational excellence by applying knowledge, technology, innovation and engaging internal and external partners to optimize operational effectiveness.



## Mission

Market and deliver clean, renewable, reliable, cost-based Federal hydroelectric power and related services

### 1. MISSION-CRITICAL CUSTOMER SERVICES IN AN EVOLVING INDUSTRY

Ensure and enhance the value of WAPA's cost-based power, transmission and related services in an evolving utility business environment.

WAPA's core mission is to market and provide firm electric power, transmission and related services to customers. In an evolving and transforming electric utility industry, WAPA will continue to evaluate, enhance and improve the services it provides to preference power and transmission customers. As electric markets continue to expand and affect customers, WAPA will adapt, tailor and align services to customer needs in this new environment.

- 1. Rate setting, repayment, and marketing plans
- 2. Transmission / OATT marketing
- 3. Markets and Transmission Strategy
  - 3.1 Markets evaluation and potential implementation
  - 3.2 Optimize organizational approach for markets
  - 3.3 Mature advanced applications implementation
- 4. WAPA-wide common participation in NERC standards development

### 2. ASSET MANAGEMENT 2.0

Optimize WAPA's Asset Management program to provide data-driven insight into budgeting, capital programs, prioritization and financial decisions resulting in a more resilient and reliable system.

Building on the Asset Management platform already in place, it is now time to create value and enhance data-driven decisions by combining staff's extensive field knowledge with insights gained from significant and actionable data. As a foundational, systemic tool, Asset Management will direct and provide insight into budget development, capital plans, financial forecasting and strategic sourcing. Further integration of sustainable funding and enterprise risk management within Asset Management 2.0 will support resiliency, reliability, safety and security across the organization.

- 1. Execute Strategic Asset Management Plan (SAMP)
  - 1.1 Complete the SAMP
  - 1.2 Complete T-line assessment and analytics
  - 1.3 Evaluate additional asset classes for improved life cycle management
  - 1.4 Capital planning / maintenance data-driven analytics capability
- 2. Sustainable funding: Unobligated balances strategy

### 3. TECHNOLOGY PERFORMANCE

Leverage industry and operational technology advances to enhance service to customers, as well as organizational and asset performance.

WAPA is committed to innovation and remaining in-step with industry advancements to benefit customers, as well as business and organizational performance. With the convergence of information technology, operational technology and industry innovation, WAPA must integrate technology.

- 1. Technology Availability
- 2. Data as a Strategy
- 3. Financial Information Management System (FIMS) enhancements

### 4. SECURITY-PHYSICAL AND CYBER

Strengthening WAPA's capabilities in physical and cybersecurity secures our assets and mitigates threats to WAPA's customers, operations and performance in the increasingly connected and evolving utility industry.

Due to the critical nature of the electric grid to our nation and increasing technology connectivity, the electric industry faces growing physical and cybersecurity threats as well as numerous associated regulatory requirements. WAPA must manage and mitigate physical and cyber risks to assets across our expansive geographic operations to remain compliant and ensure safe, secure and reliable operations. WAPA will continuously improve its organization-wide emergency management and response program using the National Incident Management System framework.

- 1. Physical security program
  - 1.1 Risk assessments and remediation plans
  - 1.2 Performance assurance plan and testing
  - 1.3 Emergency response COOP testing
- 2. Cyber security response program

### 5. PEOPLE AND ORGANIZATION

WAPA's people are its most important resource. The organization is dedicated to the evolution of its people and operations to retain, develop and attract the diverse, high-performing workforce that is the cornerstone of delivering safe, secure, reliable and cost-effective energy and transmission services.

WAPA's people and organization must continuously evolve to improve mission execution, industry alignment and workforce sustainability. Evolving its approach with people will accelerate the attraction, development, recognition and retention of a flexible, innovative, diverse, inclusive and high-performing workforce. In addition, WAPA's organizational evolution will expand its support functions' capabilities (e.g. Procurement, IT, Strategy and Human Resources) and continuous improvement efforts to cost-effectively improve mission execution and value to customers.

- 1. Stand up HR Advisory Office
- 2. Strategic recruiting
- 3. Executive Leadership Development program
- 4. Grow strategic advisory capabilities within support functions
  - 4.1 Implement Acquisition Management assessment recommendations
  - 4.2 Ongoing assessments and implementations
- 5. Continuous process improvement program
- 6. Inclusion & Diversity program
- 7. Organizational Change Management (OCM) program
- 8. Records management compliance

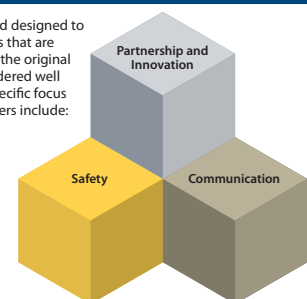
### STRATEGIC ENABLERS

Strategic Enablers are new to the Roadmap and designed to capture those foundational areas and activities that are embedded across all Strategic Target Areas. In the original Roadmap, these were STAs, but are now considered well underway and vital to maintain even as the specific focus of the STAs changes over time. Strategic Enablers include:

#### Partnership and Innovation

#### Safety

#### Communication





# Mission-Critical Customer Services in Evolving Industry Tactical Plan

Ensure and enhance the value of WAPA's cost-based power, transmission and related services in an evolving utility business environment.

WAPA's core mission is to market and provide firm electric power, transmission and related services to customers. In an evolving and transforming electric utility industry, WAPA will continue to evaluate, enhance and improve the services it provides to preference power and transmission customers. As electric markets continue to expand and affect customers, WAPA will adapt, tailor and align services to customer needs in this new environment.

## 1. Rate setting, repayment, and marketing plans1. Markets and Transmission Strategy

Ensure marketing, rate setting, and repayment in compliance with applicable legislation, regulations, and guidelines on a project-by-project basis. Planned efforts include: 1) Marketing Plans for Central Valley Project (CVP) and Colorado River Storage Project (CRSP); 2) Rates process for Loveland Area Projects (LAP), Pick-Sloan Eastern Division, CVP, Boulder Canyon Project, Parker-Davis Project, and Intertie Project; 3) Federal Register Notice process improvement and establishing SharePoint document flow; 4) Implementing new Power Repayment Study (PRS) platform and required reporting.

Timeline: Enduring

Responsible Organization: PMMC

Collaborating Organization: PSOC, ITS LT

## 2. Transmission and Open Access Transmission Tariff (OATT) marketing

Continue providing and actively marketing transmission services. Excess transmission should be sold and the revenues used to offset transmission revenue requirements. Continue to administer the WAPA OATT to ensure non-discriminatory service to all customers. Upper Great Plains regional transmission, subject to Southwest power Pool tariff, is excluded.

Timeline: Enduring

Responsible Organization: PSOC

## 3. Markets and Transmission Strategy

WAPA-wide program to evaluate market options and address implementation in a coordinated fashion.

WAPA will continue to evaluate WAPA-wide market strategies and options in a coordinated fashion. Net benefits analysis is under way for RMR, CRSP, DSW, and SNR. Our near-term decision facing involved the Mountain West Transmission Group (MTWG) and how to address market alternatives in addition to transmission strategy.

### 3.1 Markets evaluation and potential implementation

For many years, WAPA has been analyzing and implementing a range of market-related strategies including UGP joining SPP. Specific net benefits analysis efforts are underway for RMR, CRSP, SNR, and DSW and we expect to make decisions and initiate implementation (if applicable) within the next 3 years.

Timeline: Oct. 2016 – Sept. 2019

Responsible Organization: PMMC

Collaborating Organization: PSOC

### 3.2 Optimize organizational approach for markets

WAPA's markets decisions may have implications for staffing, processes, and customer interactions. We will analyze and optimize our organizational approach for all power marketing and operations functions including how we interact with internal business partners and external customers.

Timeline: Oct. 2016 – Sept. 2019

Responsible Organization: PSOC

Collaborating Organization: PMMC

### 3.3 Mature advanced applications implementation

Advanced applications allow transmission engineering staff to perform current day/next day studies, real-time contingency analysis, and training simulation. WAPA will optimize our real-time contingency analysis staffing and work processes to best deliver these functions.

Timeline: Oct. 2016 – Dec. 2017

Responsible Organization: PSOC

Collaborating Organization: ITS LT

## 4. WAPA-wide common participation in NERC standards development

Develop a methodology to have WAPA-wide points-of-contact and agreed-to work assignments regarding participation in NERC Standards development.

Timeline: Oct. 2016 – Sept. 2017

Responsible Organization: PSOC

## Asset Management 2.0 Tactical Plan

Optimize WAPA's Asset Management program to provide data-driven insight into budgeting, capital programs, prioritization and financial decisions resulting in a more resilient and reliable system.

Building on the Asset Management platform already in place, it is now time to create value and enhance data-driven decisions by combining staff's extensive field knowledge with insights gained from significant and actionable data. As a foundational, systemic tool, Asset Management will direct and provide insight into budget development, capital plans, financial forecasting and strategic sourcing. Further integration of sustainable funding and enterprise risk management within Asset Management 2.0 will support resiliency, reliability, safety and security across the organization.

### 1. Execute Strategic Asset Management Plan (SAMP)

Develop and implement a WAPA-wide plan that will look at major asset classes to utilize these assets in the most cost effective and resource efficient manner possible

#### 1.1 Complete the SAMP

Collaborate with asset and resource owners to complete the SAMP that best accounts for the balance between asset class importance to the overall transmission system and our ability to resource the data capture effort.

Timeline: In Progress – Dec. 2016

Responsible Organization: TAMP      Collaborating Organization: TAMSC

#### 1.2 Complete T-line assessment and analytics

Complete transmission line assessment and analytics at the structure level that will allow WAPA to have a better understanding of its overall transmission line system health and develop a replacement strategy.

Timeline: Dec. 2016 – Dec. 2021

Responsible Organization: TAMP      Collaborating Organization: TAMSC, ITSLT

#### 1.3 Evaluate additional asset classes for improved life cycle management

Evaluate additional asset classes and make changes or substantiate their lifecycle management that will be more cost effective and resource efficient.

Timeline: Dec. 2016 – Dec. 2021

Responsible Organization: TAMP      Collaborating Organization: TAMSC

#### 1.4 Capital planning / maintenance data-driven analytics capability

Develop assessment and analytics for asset classes that can be then be used to make data driven decisions on these assets as far as capital budget plans and maintenance practices.

Timeline: Dec. 2016 – Dec. 2021

Responsible Organization: TAMP      Collaborating Organization: TAMSC, ITSLT

### 2. Sustainable funding: Unobligated balances strategy

Finalize and execute a plan to bolster sustainable funding through a defined unobligated balances strategy. Multi-year strategies and tactics will target minimum contingency levels for WAPA's operating and maintenance, capital, and purchasing power and wheeling carryover purposes.

Timeline: Ongoing

Responsible Organization: FLC      Collaborating Organization: WLO, PMMC

## Technology Performance Tactical Plan

Leverage industry and operational technology advances to enhance service to customers, as well as organizational and asset performance.

WAPA is committed to innovation and remaining in-step with industry advancements to benefit customers, as well as business and organizational performance. With the convergence of information technology, operational technology and industry innovation, WAPA must integrate technology.

### 1. Technology Availability

Ensure critical technology availability and standards compliance through a multi-pronged strategy:

- 1) Technology roadmap coordination, prioritization, and project planning with internal business partners;
- 2) Sound capital planning and budgeting to upgrade, replace, or add necessary hardware, software, and systems;
- 3) Monitoring through defined performance measures targeting GSS network and SCADA/EMS system uptime.

Timeline: Ongoing

Responsible Organization: ITS LT

### 2. Data as a Strategy

Leverage data as a strategic asset to support better decision-making. Through an enterprise architecture strategy, WAPA will:

- 1) Enhance capability to manage multiple sources of data to ensure data integrity;
- 2) Leverage middleware to ensure data reusability and consistency;
- 3) Enhance analytics capability to better predict outcomes.

Timeline: Ongoing

Responsible Organization: ITS LT

### 3. Financial Information Management System (FIMS) enhancements

Develop and deploy a series of financial system enhancements aimed at avoiding costs and/or meeting compliance requirements. Key enhancements include: 1) Migrating audit adjustments ledger to production; 2) Prior year accounting reporting compliance; 3) Increase use of electronic invoicing; 4) Add miscellaneous income (1099) capability; 5) Database migration; 6) Appropriation year accounting compliance.

Timeline: Oct. 2016 – Sept. 2020

Responsible Organization: FLC

Collaborating Organization: ITS LT

## Security – Physical and Cyber Action Plan

Strengthening WAPA's capabilities in physical and cybersecurity secures our assets and mitigates threats to WAPA's customers, operations and performance in the increasingly connected and evolving utility industry.

Due to the critical nature of the electric grid to our nation and increasing technology connectivity, the electric industry faces growing physical and cybersecurity threats as well as numerous associated regulatory requirements. WAPA must manage and mitigate physical and cyber risks to assets across our expansive geographic operations to remain compliant and ensure safe, secure and reliable operations. WAPA will continuously improve its organization-wide emergency management and response program using the National Incident Management System framework.

### 1. Physical security program

WAPA-wide program to protect people, property, information, and federal power assets by providing a secure environment.



### 1.1 Risk assessments and remediation plans

Conduct reoccurring all-hazard risk assessments at all WAPA locations. Critical Sites will be assessed every 30 months and non-critical Sites will be assessed every 60 months. After each Physical Security Risk Assessments (PSRA) is completed the asset owners in each region will complete a Physical Security Remediation Plan (PRSP) which identifies a mitigation strategy, completion timeframe and budget allocated. Policy waivers or risk acceptance justifications must be documented.

Timeline: Enduring

Responsible Organization: OSEM      Collaborating Organization: Regions, ITS LT

### 1.2 Performance assurance program

Develop a WAPA-wide Performance Assurance Program (PAP) to ensure all Safeguards and Security (S&S) protection elements at a facility/site are operating and functioning as designed and intended. Identified critical sites with S&S protection elements in place will utilize performance testing to demonstrate acceptable performance.

Timeline: Enduring

Responsible Organization: OSEM      Collaborating Organization: Regions, ITS LT

### 1.3 Emergency preparedness and response

Plan and manage all-hazards emergency elements across the organization. Train, test and exercise staff on capabilities and assess the effectiveness of our processes and plans and determine areas for continual improvement. Develop lessons learned, after action reports and corrective action plans to improve processes.

Timeline: Enduring

Responsible Organization: OSEM      Collaborating Organization: Regions, ITS LT

## 2. Cyber security response program

WAPA-wide program to protect computers, networks, systems, programs and data from unintended or unauthorized access, change or destruction. Key focus areas include: 1) maturing internal cyber security risk management; 2) investing in cyber security technology; 3) enhancing industry partnerships and information-sharing.

Timeline: Enduring

Responsible Organization: ITS LT      Collaborating Organization: Regions

## People and Organization Tactical Plan

WAPA's people are its most important resource. The organization is dedicated to the evolution of its people and operations to retain, develop and attract the diverse, high- performing workforce that is the cornerstone of delivering safe, secure, reliable and cost-effective energy and transmission services.

WAPA's people and organization must continuously evolve to improve mission execution, industry alignment and workforce sustainability. Evolving its people-oriented approach will accelerate the attraction, development, recognition and retention of a flexible, innovative, diverse, inclusive and high- performing workforce. In addition, WAPA's organizational evolution will expand its support functions' capabilities (e.g. Procurement, IT, Strategy and Human Resources) and continuous improvement efforts to cost-effectively improve mission execution and value to customers.

### 1. Stand-up Human Resources Advisory Office (HRAO)

Implement the HRAO to provide strategic human capital advice and guidance to all levels of management and other business partners in analyzing workforce issues and proposing solutions to HR matters. The transition plan will include redefined roles and responsibilities, training and tools for the assigned staff, and communication / collaboration with business partners.

Timeline: Oct. 2016 – Sept. 2017

Responsible Organization: HRAO      Collaborating Organization: HR SCC

## 2. Strategic recruiting

Enhance our strategic recruiting capability to ensure we are focused on recruiting candidates that have skills aligned with our business needs. By increasing sourcing channels and proactively promoting WAPA's brand, we will improve our ability to attract highly qualified candidates for our evolving needs.

Timeline: Oct. 2017 – Sept. 2018

Responsible Organization: HRAO

Collaborating Organization: HR SCC

## 3. Executive Leadership Development Program (ELDP)

Conduct a second 18-month program. The program's objective is to develop a diverse cadre of leaders who can drive mission results and evoke change, inspire and lead a multi-disciplinary, diverse workforce, and build coalitions across WAPA and other Agencies.

Timeline: Oct. 2017 – March 2019

Responsible Organization: HRAO

Collaborating Organization: HR SCC

## 4. Grow strategic advisory capabilities within support functions

WAPA-wide objective aimed at optimizing internal partnerships to support delivery of WAPA's mission.

### 4.1 Implement Acquisition Management assessment recommendations

WAPA completed an assessment of its end-to-end Acquisition Management functions and will implement recommendations covering the following areas: 1) Strategic organizational capabilities in the areas of spend analytics, category management, and performance management; 2) Operating model / governance approach including a category management framework and an IT purchasing pilot; 3) Multiple continuous improvement projects including with the purchase requisition process, procurement package processes, requirements development, various reviews and approvals, contract modification analysis, and overall standardization; 4) Multiple human capital needs to support implementing the recommendations and building core competencies to sustain the change effort.

Timeline: Oct. 2016 – Sept. 2017

Responsible Organization: Procurement    Collaborating Organization: ITS LT, Regions

### 4.2 Ongoing assessments and implementations

WAPA leadership will identify additional priorities and projects to assess our support functions and implement changes. The ultimate goal is to better leverage support functions such as finance, human resources, procurement, and engineering & design to act as business advisors to core WAPA operations and services. Utilizing this strategic or business advisory service internally will improve efficiencies and value delivered, in addition to allowing staff to focus on their core competencies. This will include developing and building the proper skill sets in each support function.

Timeline: Ongoing

Responsible Organization: Based on function

## 5. Continuous process improvement program

Serve as Project Lead for continuous process improvement efforts supporting Roadmap 2024 and WAPA's cost containment philosophy. Collaborate with business unit leaders to identify 7-10 projects per year that provide the most benefit to mission delivery within the context of Roadmap 2024. In addition, we will evaluate readiness to migrate to a proactive strategic business process management philosophy.

Timeline: Enduring

Responsible Organization: CPI Program

## 6. Inclusion & Diversity program

WAPA desires to fully capitalize on the benefits of inclusion and diversity. WAPA will: 1) Increase the visibility of the message through an established communications plan; 2) Increase awareness through targeted training; 3) Leverage a stakeholder committee to provide specific recommendations to leadership and managers.

Timeline: Enduring

Responsible Organization: EI&D

## 7. Organizational Change Management (OCM) program

OCM is defined as a deliberate set of activities that facilitate and support the success of individual and organizational change projects and the realization of its intended business results. The OCM Program provides advice and recommendations to WAPA's leadership on organizational change management activities. The OCM Program will partner with other programs and functional groups to advise and employ organizational change management processes.

Timeline: Enduring

Responsible Organization: OCM Program

## 8. Records management compliance

WAPA-wide plan to comply with OMB and National Archives and Records Administration (NARA) guidance for records management by Dec 2019. WAPA will address 2 central goals: 1) Require electronic recordkeeping to ensure transparency, efficiency, and accountability; 2) Demonstrate compliance with Federal records management statutes and regulations.

Timeline: Oct. 2016 – Dec. 2019

Responsible Organization: Technical Services

## Strategic Enablers:

Strategic Enablers are new to the Roadmap and designed to capture those foundational areas and activities that are embedded across all Strategic Target Areas. In the original Roadmap, these were STAs, but are now considered well underway and vital to maintain even as the specific focus of the STAs changes over time.

Strategic Enablers include:

### Partnership and Innovation

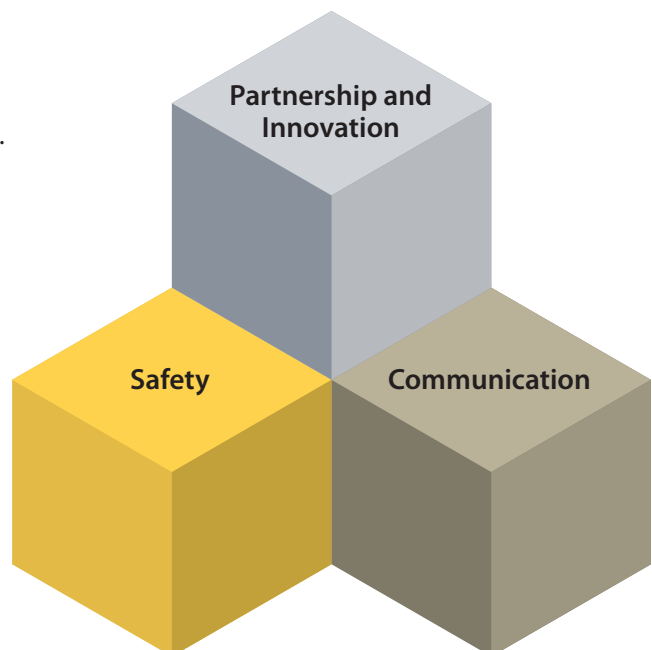
WAPA views partnership and innovation as core to how it conducts business and necessary in all external and internal Customer working relationships. The organization is committed to constructive collaboration and innovation to ensure WAPA remains in-step with industry advances. Our support functions (e.g. Procurement, IT, Strategy and Human Resources) will be key to optimizing internal partnerships and facilitating innovation.

### Safety

Every employee demonstrates, through core values and personal responsibility, a commitment to safely perform their jobs and ensure workplace security. The safety and security of employees and the public is WAPA's top priority. Ensuring employees return home safely to their families every night requires constant improvements to the organization's safety and security-related processes and procedures. WAPA will work to instill a zero-incident safety culture and establish an organization-wide emergency management and response program using the National Incident Management System framework.

### Communication

Effective communication is essential to the Roadmap's continued success and achieving the STA and tactical program goals. WAPA will build on its successful internal and external stakeholder engagement focus while improving communications and transparency throughout the organization and with customers.





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**ENERGY**